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State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:	
OGM	Priscilla Burton Environmental Scientist III
Company	David Shaver Manager

Permit Number:	C0150032
Inspection Type:	PARTIAL
Inspection Date:	Thursday, September 18, 2008
Start Date/Time:	9/18/2008 10:00:00 AM
End Date/Time:	9/18/2008 2:30:00 PM
Last Inspection:	Wednesday, September 03, 2008

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun 60 F

InspectionID Report Number: 1771

Accepted by: jhelfric
10/7/2008

Permitee: **GENWAL RESOURCES INC**
Operator: **GENWAL RESOURCES INC**
Site: **CRANDALL CANYON MINE**
Address: **PO BOX 1077, PRICE UT 84501**
County: **EMERY**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

6,235.80	Total Permitted
10.70	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [ ] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Walked from the saddle of East Mountain down to the lowest pad # 3. All pads have been reclaimed. Access road has been reclaimed to switchback at pad 6. The natural drainage was re-established and excelsior logs are being installed to control the flow in this location and below the drain on the access road to pad 4. Last years seeding looks very good. Accompanying us on the inspection was Jason Manchester, foreman for SCAMP Construction.

Inspector's Signature Priscilla Burton **Date** Thursday, September 18, 2008

Priscilla Burton, Environmental Scientist III
Inspector ID Number: 37

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
   a. *For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.*
   b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.*
3. *Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☐	☐	☐	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☑	☐	☑	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☐	☐	☐	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☑	☐	☑	☐
13. Revegetation	☑	☐	☑	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☑	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☑	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

3. Topsoil

The access road has been reclaimed up to the elbow in the road between pads #6 and #2. Dark, rich topsoil material is being hauled by rock truck out of this bend in the road for use in reclaiming the upper access road, photo attached. The access road just above pad 6 should have excellent vegetation growth in comparison with pads #2 and #6, because of this growing medium. Soil from the berm along pad #2 was sampled during an earlier inspection and analyzed by Brigham Young University laboratory. The analysis of the clay subsoils that form the slopes of pads #2 and #6 is attached to this inspection report.

4.c Hydrologic Balance: Other Sediment Control Measures

A natural channel begins on the slope east of pad 6. Excelsior logs were laid out in this location. We agreed that a series of three logs would treat the runoff coming onto the reclaimed access road and that a series of three more logs (top, middle, bottom of slope) would treat runoff from the reclaimed access road before the drainage reached the undisturbed slope above pad 6. We discussed placing excelsior logs every ten feet down the run of the pad 6 and "Oops" road reclaimed slope. A four man crew was on site installing these excelsior logs, see photo attached.

A second natural channel was noted below the two french drains on the reclaimed access road, just above pad 4. We discussed placing a series of three excelsior logs (top, mid, bottom of slope) in this location as well.

12. Backfilling And Grading

Approximately 9,000 cu yds of soil has been moved by the rock truck, more material will be moved today. This figure does not include the material transferred by two hoes. Pads 6 and 2 are backfilled to the level of the cut along most of their length. The cut slopes were not overfilled and some settling will likely reveal a bit of thel cut slope, see attached photos. We discusssed overfilling the cut slopes on the remaining reclamation along the access road. Overall, the reclaimed slopes meet the approximate original contour and the slopes of both pads blend together at cross section B-B' , at approximately 56% slope, 30 degress or 1.34 h:1v, as illustrated on App. 5-22A, Attachment 13, Plates 1 and 3 of 7, see photo attached.

The remainder of the work to be completed this year is the access road from pad #2 to the East Mountain saddle. This work should be completed in one more week.

13. Revegetation

All backfilled areas have been roughened and seeded and mulched. SCAMP has used a hand held broadcasst seeder unit. They walked above the cut to get good coverage. We discussed collecting seed tags and re-seed above the cut along the reclaimed portion of the SITLA access road.

Areas that were seeded last year have very tall stands of Triticale (seed heads are about hip height). This sterile rye will not reproduce and will die back during the winter, producing a new layer of mulch, protecting the soil and trapping moisture for the understory of perennial grasses and forbes that are becoming established, see photo attached. We noted aspen and woods rose regeneration on the access road to pad #3. We noted slender wheatgrass and showy golden eye growing in the understory beneath the Triticale..

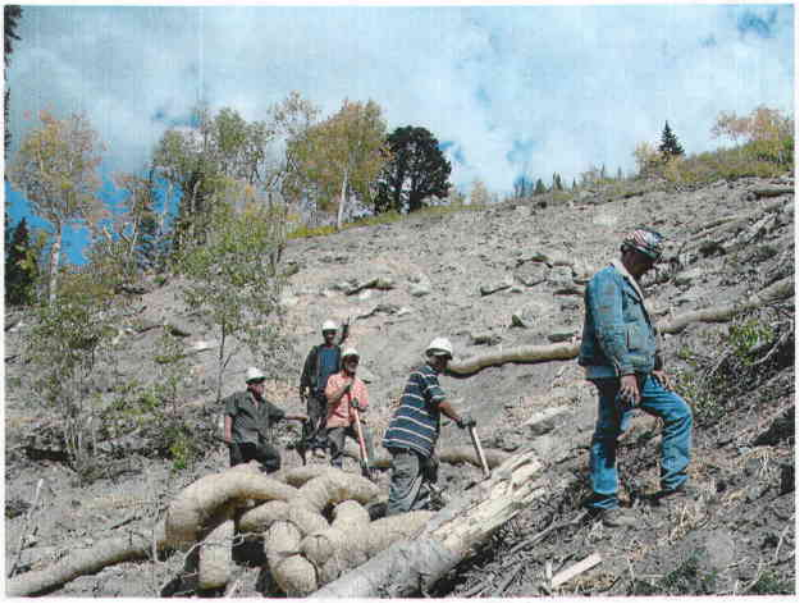
16.b Roads: Drainage Controls

Two drains in the reclaimed access road located above pad 4 will be marked on an as-built map. The lower drain was passing water and had created a small amount of erosion in the slope. Mr. Shaver advised cutting off the pipe where it exits the ground. (However, Steve Christensen, Division hydrologist reported after his site visit on 9/25/08 that the pipe was not cut.) We discussed putting three excelsior logs in a series below this drain.

18. Support Facilities, Utility Installations

The staging areas along the SITLA road (especially necessary where the SITLA road meets the reclaimed portion of the SITLA road) will be ripped and seeded as SCAMP exits for the season.

Rock truck moves rich soil to access road above pad #6



Excelsior Log Installation

Slopes of Pad #2 and Pad #6 combine at approximately 1.75h:1v

Revegetation on Pad #3

Small segments of cut slopes remain

Largest cut slope remaining near ledge shown on maps in Attachment #4.

9/18/08 Inspection Report #1771 Attachment A2

BRIGHAM YOUNG UNIVERSITY

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Provo, UT 84602
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Plant and Animal Science Department

Name Priscilla Burton
Street 9 North, Carbonville Road, Suite
Price UT 84501
City State Zip

SOIL TEST REPORT AND RECOMMENDATIONS

Date: 17-Sep-08
Telephone: 4356133733
Fax: 4356133739

Sample Identification	Crop to be grown	pH	% Sand	% Silt	% Clay	Soil Texture	Cation Exchange meq/100g	% Organic Matter
East Mntn	Turf	7.14	23.64	33.08	43.28	Clay		

Soil Test	Results	Very Low	Low	Medium	High	Very High	Recommendations
Nitrate-Nitrogen ppm N	9.31	X					apply 2.8 lbs of N/1000 sq ft
Phosphorus ppm P	3.82	X					apply 2.1 lbs of P2O5/1000 sq ft
Potassium ppm K	99.20			X			no fertilizer needed
Salinity-ECe dS/m	0.49	X					no salinity problem
Zinc ppm Zn	0.27	X					apply 10 lbs of Zn/1000 sq ft
Iron ppm Fe	5.60			X			no fertilizer needed
Manganese ppm Mn	1.87					X	no fertilizer needed
Copper ppm Cu	0.92					X	no fertilizer needed
SAR-Sodium Absorption Ratio	0.15	X					no sodium hazard
Calcium-SAR ppm Ca	335.68						
Magnesium SAR ppm Mg	12.16						
Sodium SAR ppm Na	10.40						
Ca Carbonate %CaCO3	38.64						
Selenium ppm Se	0.27	X					
Boron ppm B	1.15					X	no fertilizer needed